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## **Country Road, Rip Curl and Cotton On open up about sustainability**

Three iconic Australian brands will reveal how they are addressing supply chain transparency and environmental challenges at International Sourcing Expo in Melbourne from November 20 to 22.

Sustainability executives from Country Road, Rip Curl and Cotton On will feature in a panel during the Expo's Global Sourcing Seminars. We asked panel host and ethical sourcing expert Melinda Tually of Ndless: The New Normal a few questions ahead of the fashion industry event.

**ISE: What percentage of Australian fashion businesses do you think have ethical sourcing programs and how has that changed over the last decade?**

MT: We've seen a great deal of growth in this space locally, particularly over the past five years. To explain a lot of that, I think you can point to the collapse of the Rana Plaza garment factory in Bangladesh and the civil society demands for transparency that followed. Globally, supply chain transparency is a high priority for the garment industry so whilst Australian brands are later to the table, increasing numbers are now investing in ethical sourcing programs. That number is still comparatively small but it's growing and that's what's important.

We are now seeing fuller programs with dedicated resources tackling everything from living wages and tracing supply chains to water stewardship and deforestation. Best practice is identifying and addressing all risks and impacts, not just one area of the supply chain, and collaborating with industry where possible.

In addition to the work being done by large, mainstream brands, there have been a lot of smaller, independent labels cropping up with ethics and transparency at their core. They are agile and able to adopt new textile innovations and business models, quickly meeting the demand of the conscious consumer.

**ISE: What's driving the push for supply chain transparency and how does it make business sense?**

MT: It's a combination of forces.

Customers are demanding to know how and where their purchases were made, and in what conditions. They aren't shy of voicing their concerns on social media either, which is bringing discussions around reputational risk to the boardroom.

Governments are implementing policy drivers like the upcoming Modern Slavery Act.

Mainstream media exposes, whether they be labour rights or environment related, are more frequent and the investment community is becoming very effective in mobilizing shareholders to agitate for change.

Overall, this push for greater transparency is a response to the true cost of making the clothes we wear and an acknowledgement that the fashion industry has a responsibility to address its impact.

Retail has to win back trust. To be a relevant and modern fashion business is to be responsible and transparent. Sustainability is sexy.

**ISE: Do ethical considerations outweigh price for Australian consumers and are there some demographics that are more conscious of ethics than others?**

MT: For the majority of consumers, price is still the number one consideration, followed by suitability and functionality. However, there is certainly a growing proportion of consumers shopping in line with their values and that's reflected in the number of sustainability and ethical sourcing initiatives we're now seeing from some of Australia's largest retailers in order to meet that demand.

Despite numerous surveys suggesting the Millennial demographic are the most conscious consumers, they can also be the most wasteful and trend-based consumers. Millennials are engaged but many still succumb to pressure to wear the latest styles.

Consumers with higher disposable incomes are looking for investment pieces and brands with a good story to tell. They value durability, longevity and superior fabrics as well as transparent supply chains, particularly brands that share their journey towards responsible sourcing and profile and celebrate their workers. This cohort is redefining value and doing its research before spending.

**ISE: What are the common hurdles for fashion businesses pursuing supply chain transparency?**

MT: First and foremost, buy-in from senior management is essential. Without this, you do not have a program with any teeth. It needs to be sincere and considered, not reactive.

Beyond that, tracing can be difficult. The fashion industry has been built on opacity, so gaining visibility of a supply chain gets harder the deeper you go. In that respect, it's cultural change, not just technical. The more the industry understands the need for transparency at all levels, the more open it becomes.

Establishing a balance between outputs and driving real impact can be a common hurdle. It's relatively straightforward to tick off a list of activities that seem like the right thing to do but, unless they are driving genuine impact along the supply chain, they may not be worth the investment of time or money.

Strategies shouldn't be set and forget. They need continual review through an impact lens to see if their intent is being delivered on.

**ISE: What are the key elements of an ethical sourcing plan?**

MT: The key areas that broadly need to be considered are labour rights, the environment and animal welfare. All three require visibility of your supply chain.

Only then can you understand the situation and develop a tailored risk-based strategy to address the issues you find and the opportunities for positive impact.

There are baseline compliance components like implementing codes of conduct and performing social audits but going beyond these measures is what's going to create change. To do so, you need resources – both funds and personnel – and a long-term view.

Committing to addressing areas like worker empowerment, living wage or forced labour, takes a lot of work, patience and a good dose of introspection.

Responsible purchasing practices are crucial to ensure that a decision by a buyer in Melbourne, for example, doesn't impact negatively on a garment worker in Bangladesh.

**ISE: What are the benchmarks for ethical sourcing and is there any form of independent accreditation?**

MT: There is no one-stop-shop benchmark for ethical sourcing and nor should there be.

The issues are very complex and require specialized knowledge to address them. Issues in cotton farming are very different to those in leather tanning or garment sewing.

There are thousands of accreditations and certifications now and they seem to be growing year-on-year, which isn't actually helping the market. Often, they tackle the same issue with only slight variations so it can be confusing for brands, (and consumers) to decide which to support. It's a case of identifying best practice and assessing relevancy.

**ISE: Can you offer examples of how Australian businesses are excelling in this field?**

MT: Great work is being done in cotton sourcing, with Cotton On, Country Road Group, Jeanswest and Kmart, amongst others, all committing to more sustainable sources, such as BCI cotton, Australian, or organic cotton.

Transparency is gaining ground as more and more brands, including Rip Curl and Cotton On, publish their factory lists. Water stewardship at factory level has

started to be tackled, with Cotton On and Bianca Spender addressing this for certain suppliers.

Waste is a massive problem, which is getting a lot of air time. Product stewardship schemes are popular overseas so it's great to see brands like Rip Curl offering a recycling rubber program for used thongs and wetsuits and Country Road's Fashion Trade initiative with Red Cross.

**ISE: What is the international experience and can you point to any successes and failures from which Australia's fashion industry can learn?**

MT: The Australian scene is very much influenced by developments in the international space and we've been able to benefit from a lot of work and research already conducted.

Internationally, many large brands have invested in open source research of benefit to the whole industry, not just their own brand, which is something we're still to see here.

In acknowledging the pre-competitive nature of ethical sourcing issues, collaboration is allowing for faster and deeper change and this is now happening in Australia, which is a sign of the maturing of the scene.

We can definitely learn from the many attempts at achieving living wages, which have largely fallen short of achieving the type of systemic change garment workers need. This is an issue that must be solved but one that requires the involvement of government, unions, brands, factories and workers themselves.

The ACT initiative, to which Cotton On, Kmart and Target are signatories, is an attempt to do exactly this by bringing all the stakeholders to the table and I'm very hopeful this method succeeds.

The Bangladesh Fire and Safety Accord is another example of a multi-stakeholder approach to address an issue that affected the whole industry so, if this model can be applied in a similar way for wages, we'll see more brands come on board.

Melinda Tually will facilitate a panel with Cotton On Group's Sonya Rand, Rip Curl Australia's Shasta O'Loughlin and Lucy King of Country Road Group during [International Sourcing Expo](#) at the Melbourne Conference & Exhibition Centre from November 20 to 22.

Other topics will include ethical sourcing, the Modern Slavery Act, insights into the main Asian fashion supply industries and even WGSN's Denim Trend Forecast 2020. Browse the three-day program and secure your seat at <https://www.internationalsourcingexpo.com/.../whats.../seminars/>